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RSR Edition

The **ORIGINAL**
CORN CHIPS

FRITO-LAY
EMPLOYEE
HANDBOOK

2005

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C. Frito-Lay RSR Performance Expectations

You are a member of Frito-Lay's selling team because you have the ability to:

- Focus on the customer
- Operate your route efficiently
- Work well in your sales team
- Approach your work in a reliable, high-energy manner

The following reviews the basic job accountabilities of an RSR.

1. Sales

As an RSR, the following represents your basic job accountabilities:

Plan for weekly and period sales execution based on current account opportunities, upcoming promotions, Customer Annual Plans (CAPs), and new products.

- Know sales objectives and performance to date.
- Know upcoming promotions and in-store activities (resets, support needs).
- Coordinate POS and equipment requirements.

Determine customer need and identify selling opportunities.

- Walk the entire store to identify locations for incremental displays and other selling opportunities.
- Review all Frito-Lay display locations to determine needs.
- Observe competitive activities and consumer buying habits, traffic flow, and sell-off.

Build rapport with store-level customers to create selling opportunities.

- Routinely greet customer and create a personal relationship based on service and knowledge of the business.
- Monitor store-level activity and sell-off against service schedule to ensure product availability, appearance, turns and freshness.
- Demonstrate an interest in the customers' success by sharing account observations and making suggestions on improvements.

Keep the customer informed of Frito-Lay product performance, consumer and industry updates, and opportunities for increased profits in salty snacks and convenience foods.

- On each store visit, make a sales presentation supporting account and opportunity findings.
- Refer frequently to results from in-store activity through ordering patterns, one-page business review and sell-off from different placement of incremental volume.
- Share applicable product and industry information available to support selling opportunities.

Merchandise your sales at each account within the recommended pattern and specified account standards.

- Merchandise your sales.
- Clean and straighten shelves/racks, checking code dates, rotating product and removing unsaleables.
- Make sure equipment is in order.
- Build displays, as needed, for your sales.
- Maintain backroom stock in proper order and location.

To maximize sales, manage freshness, variety and availability of on-truck and in-store inventories through:

- Accurate forecasting and ordering.
- Prescribed DC check-out and account check-in procedures.
- Customer invoicing and payment.
- Daily truck and backroom inventories.

2. Variable Rate Overtime (VROT)

Depending upon the type of route that you are on, you may be eligible for Variable Rate Overtime, also known as "VROT".

The hours in VROT-eligible routes fluctuate from week to week. The pay on these routes will, therefore, vary from week to week, depending on the hours actually worked.

The pay for VROT-eligible routes generally consists of several components, base salary, commissions and overtime. Not all routes receive all three components.

A. Guaranteed Weekly Salary

All RSRs have a minimum weekly guaranteed salary. This salary represents your straight time pay for whatever hours you are scheduled to work each week no matter how few or how many. You will not be paid any less than your guarantee in any week in which you work any hours. If your Commissions (and/or base salary if applicable) are greater than the Guaranteed Weekly Salary you will receive the Commissions (and/or base salary).

B. Base Salary

Some RSRs have a compensation plan that includes a base weekly salary that will be paid in addition to commissions.

C. Commission

All commissions are calculated as a percentage of the total sales sold each week Store Door Value (SDV). Commission rates vary based on the type of route.

D. Overtime Pay

Any week in which you work more than forty (40) hours you will receive, in addition to your base salary, extra pay for overtime hours. This overtime is calculated as follows:

Overtime Pay Formula:

Base Salary + any Commissions	=	TOTAL WEEKLY COMPENSATION
Divide Total Weekly Compensation by total hours worked for that week	=	HOURLY RATE OF PAY
Take Hourly Rate of Pay, multiply this number by .5, then multiply by the number of overtime hours.	=	OVERTIME PAID FOR THAT WEEK

Example:

You work fifty (50) hours a week	
Your base salary is \$400 and your commissions are \$600:	$\$400 + \$600 = \$1000$
You worked fifty (50) hours, ten (10) overtime hours.	$\$1000 / 50 = \20 an hour
Take hourly rate of pay (\$20), multiply by .5, then multiply by the number of overtime hours, [ten (10)] worked for that week.	$\$20 \times .5 \times 10 = \100

Based on the above example you would receive \$100 in overtime payment. If you do not understand the above pay structure, please contact your Manager immediately.

3. Variable Rate Overtime Reporting Policy

Adherence to the time reporting policy outlined below will ensure accurate and timely processing of VROT hours and compliance to payroll record keeping as required by law.

D.O.T. Log / Timecard

All hours worked should be recorded daily on the standard D.O.T. Log/Timecard (FL-3390). All required information should be completed and the timecard must include the employee's signature. Time recorded on the standard timecard should be rounded to the nearest five minute increment. All hours reported should be a complete and accurate record of actual hours worked during the compensated workday established in this policy.

D.O.T. Log/Timecards for the previous workweek (Sunday through Saturday) will be submitted on Monday of the following week (or Tuesday if the RSR is off on Monday). The original copy is submitted to the D.O.T. owner at the site (if required) and the second copy is submitted to the DSL, who will submit the timecard to the Zone office for payroll processing.

VROT will not be paid to any employee until a signed timecard is received. Any VROT due for a week where hours were worked but no timecard was received will need to be submitted as late VROT in the next payroll cycle once the timecard for that week is received. Hours may not be called in to the DSL or Zone office.

Handheld System Hours

HHC logon/logoff procedures should be followed to record start of day, end of day and personal mid-day breaks consistent with the compensated workday defined in this policy. These hours are loaded into a database from which preliminary payroll reports are generated on Wednesday of each week for hours worked the previous week.

Exhibit L

EDWARD DE STEFAN

STANDARDS OF PERFORMANCE
(SALESMAN'S RESPONSIBILITY)

VOLUME BUILDING ACTIVITIES

Meet your volume targets via:

- Display execution at 100% to your routes displayable account targets.
- Proper service to all accounts (DSM's discretion).
- Salesman to be involved in the account development on his route/
1 account per period minimum.

MERCHANDISING

- 100% compliance to Region patterns.
- Full line selling with DSM's direction.
- Every bag popped and laced.
- Display racks and product to be maintained and kept clean.

STALES CONTROL

Every salesman responsible for being on plan through:

- Rolling to largest accounts on own route.
- Rolling to merchandisers where possible.
- No stales on your route.
- Rotation of every bag, 100% of the time/not side to side.



ROUTE MANAGEMENT

- Maintain the dress standards established in the salesman handbook.
(see attached)
- All paperwork turned in on time.
- All cash collected on your route turned in daily.
- Salesmen to assist with over/short reconciliation.
- Salesman to maintain professional business conduct on their route.
- Do your part to maintain your vehicle properly.

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DRESS STANDARDS

- Clean, pressed slacks or trousers (no jeans, dungarees or overalls). Cords are ok but must be clean and in good condition.
- Clean, pressed shirt with collar, blouse or fashionable turtleneck (no T-Shirts, pullover shirts or tank tops).
- Neckties are recommended
- Jackets, and sweaters need to be clean, in good condition and free of advertising other than F.L. (no sweat shirts or sports team jackets.)
- Suitable shoes, shined and clean (no gym shoes or sneakers).
- Suitable stockings or socks to be worn.
- Clean-shaven; clean and neatly trimmed hair (a neatly trimmed mustache is acceptable.)
- Hair length should be reasonable and appropriate for the job.
- Only FL Hats are acceptable (no sports team hats etc.).

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ROUTE MANAGEMENT(cont.)

- Return all of your KD's each day.
- Trucks to be kept clean and without non FL posters and signs.

I understand that these standards of performance are my responsibility
as a Route Salesman.

Edward De Stefan

Salesmans signature

8-3-88

Date

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